

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 19 MARCH 2013

MC 24/03/13 APPLICATION FOR THE DETERMINATION OF A SPECIAL RATING AREA (SRA) IN THE STIKLAND INDUSTRIAL AREA (LIMITED AREA)

RECOMMENDED that:

- (a) in terms of the Special Rating Area (SRA) By-law, the City of Cape Town determine the area as reflected in the body of the report on the agenda to be declared a SRA called Stikland Industrial City Improvement District (SICID)
- (b) in terms of Section 9 of the SRA By-law, the City of Cape Town approves the application submitted by Mr Kurt Gouwsventer, being the registered owner of Erf 35497, Bellville to establish a SRA in the SICID area and that it be declared a SRA
- (c) the objection to the establishment of the SICID be noted but not upheld for the reasons discussed in the report on the agenda
- (d) in terms of Section 22(1)(b) of the Municipal Property Rates Act (Act No. 6 of 2004), the City of Cape Town impose an additional rate on property value after Section 10 of the By-Law has been met
- (e) in terms of Section 12(6) of the By-Law, a Finance Agreement be concluded between the City of Cape Town and the SICID Management Committee.

REPORT TO COUNCIL

CITY OF CAPE TOWN | ISIXEKO SASEKAPA | STAD KAAPSTAD

1. ITEM NUMBER : MC 24/03/13**2. SUBJECT****APPLICATION FOR THE DETERMINATION OF A SPECIAL RATING AREA (SRA) IN THE STIKLAND INDUSTRIAL AREA (LIMITED AREA):****ONDERWERP****AANSOEK OM DIE BEPALING VAN 'N SPESIALE-AANSLAGGEBIED (SRA) IN DIE STIKLAND- INDUSTRIËLE GEBIED (BEPERKTE GEBIED):****ISIHLOKO**

ISICELO	SOKUMISELWA	KOMMANDLA	ONERHAFU	EYODWA
KUMMANDLA	WOSHISHINO	WASE-STIKLAND		(INDAWO
ELINGANISELWEYO):				

3. STRATEGIC INTENT

- Opportunity City
- Safe City
- Caring City
- Inclusive City
- Well-run City

4. PURPOSE

To declare the Stikland Industrial area (Limited Area) a Special Rating Area called the Stikland Industrial City Improvement District (SICID).

5. FOR DECISION BY

Council

6. EXECUTIVE SUMMARY

- 6.1 In terms of the Special Rating Area By-Law, Council has received an application to determine a Special Rating Area (SRA) in the SICID area.
- 6.2 The application complies with all legal aspects as per the By-Law.



- 6.3 That the objection is noted but not upheld for the reasons discussed in the report.
- 6.4 That an additional rate be levied in terms of Section 22 of the MPRA and approved by Council during the Budget process.

This report recommends that the application be approved and that a SRA be declared for the SICID area.

7. RECOMMENDATIONS

Not delegated: for decision by Council

It is recommended that:

- a) in terms of the SRA By-Law, the City of Cape Town determine the area as reflected in the body of this report to be declared a SRA called Stikland Industrial City Improvement District (SICID).
- b) in terms of Section 9 of the By-Law, the City of Cape Town approve the application submitted by Mr Kurt Gouwsventer, being the registered owner of Erf 35497, Bellville to establish a SRA in the SICID area and that it be declared a SRA.
- c) the objection to the establishment of the SICID be noted but not upheld for the reasons discussed in the report.
- d) the City of Cape Town impose an additional rate in terms of Section 22(1)(b) of the MPRA on property value after Section 10 of the By-Law has been met.
- e) in terms of Section 12(6) of the By-Law a Finance Agreement be concluded between the City of Cape Town and the SICID Management Committee.

AANBEVELINGS

Nie gedelegeer nie: vir besluitneming deur die Raad:

Daar word aanbeveel dat:

- a) ingevolge die SRA-verordening, die Stad Kaapstad bepaal dat die gebied in die liggaam van hierdie verslag aangedui as 'n SRA verklaar word, en as die Stikland- industriële stadsverbeteringsdistrik (SICID) bekend staan.
- b) ingevolge artikel 9 van die Verordening, die Stad Kaapstad goedkeuring verleen aan die aansoek ingedien deur mnr Kurt Gouwsventer, synde die geregistreerde eienaar van erf 35497, Bellville, om die stigting van 'n SRA in die SICID-gebied, en dat dit as 'n SRA verklaar word.
- c) daar kennis geneem word van die beswaar teen die stigting van die SICID maar dat dit om die redes wat in die verslag bespreek is, nie gehandhaaf word nie.

- d) die Stad Kaapstad 'n bykomende heffing ingevolge artikel 22(1)(b) van die MPRA op eiendoms waarde instel nadat daar aan artikel 10 van die Verordening voldoen is.
- e) 'n finansiesooreenkoms ingevolge artikel 12(6) van die Verordening tussen die Stad Kaapstad en die SICID-bestuurskomitee gesluit word.

IZINDULULO

Azigunyaziswanga Isiqgibo seseBhunga:

Kundululwe ukuba:

- a) NgokoMthetho kaMasipala ojongene neMimandla eneeRhafu eziZodwa, isiXeko saseKapa masimisele indawo ebonakaliswe kwisiqu sale ngxelo njengoMmandla oneRhafu eYodwa owaziwa ngokuba siSithili sesiXeko soPhuculo loShishino sase-Stikland.
- b) Ngokungqinelana neCandelo 9 loMthetho kaMasipala, isiXeko saseKapa masiphumeze isicelo esingeniswe nguMnu Kurt Gouwsventer, ongumnini obhalisiweyo weSiza 35497, Bellville ukuba amisele uMmandla oneRhafu eYodwa kummandla okwiSithili sesiXeko soPhuculo loShishino sase-Stikland.
- c) Makuqatshelwe isichaso sokumiselwa kweSithili sesiXekom soPhuhliso loShishino kodwa singaxhaswa ngenxa yezizathu ezixoxwe kwingxelo.
- d) IsiXeko saseKapa masimisele irhafu eyongezelelweyo ngokweCandelo 22(1)(b) loMthetho ojongene namaXabiso eePropati zikaMasipala ngexabiso lepropati emva kokuthotyelwa kweCandelo 10 loMthetho kaMasipala.
- e) Makuqunjelwe isiVumelwano seziMali ngokweCandelo 12(6) loMthetho kaMasipala phakathi kwesiXeko saseKapa kwakunye neKomiti yoLawulo lweSithili sesiXeko soPhuculo loShishino sase--Stikland.

8. DISCUSSION/CONTENTS

8.1 Constitutional and Policy Implications

The City of Cape Town, as with most of the major cities in South Africa, is grappling with the challenge of providing an equitable level of service to all its inhabitants. It acknowledges that property owners within an area require a mechanism to create a friendly environment and to enhance its current service delivery capacity. The SRA model allows property owners to organize additional municipal services to improve and upgrade the SRA with the additional rates levied on commercial properties.



Accordingly the Steering Committee was formed to pursue the process of establishing an SRA under the guidance of the ISL Department. The Steering Committee submitted an application (limited area), attached as Annexure A, which includes the following:

- Motivation report, Implementation Plan and Budget (Section A)
- Property database of all properties to pay the additional rate with an indication of who supported the application and verified by the ISL Department (Section B)
- An affidavit from the applicant that more than 50% of the property owners support the formation of the SRA (Section C)
- Public meetings advertisements, Minutes, Presentation and Public perception survey report (Section D)

The applicant applied in terms of Section 9 of the SRA By-Law for a limited SRA and demonstrated to the satisfaction of the ISL Department that the level of services to be provided did not reduce and the budget has been reduced accordingly as a result of the provision of those services in the limited area alone, as compared to the provision of those services in the whole of the proposed SRA.

The Steering Committee obtained 56% support that composes of 264 erven out of the 474 properties within the limited area.

The application (limited area) had been advertised for comments and objections and was available for scrutiny at the offices of the City and the Steering Committee. Advertisements attached as Annexure B.

One objection letter was received and the Steering Committee tried to engage with the objector on various occasions and means with no success. Refer Annexure C for detail.

As spelt out by the applicant in the Business Plan of the SICID the only way to halt the down ward spiral of decay is to establish a sustainable and well managed urban management process. The SRA concept proved itself to be one of the better joint ventures between Council and Property owners to combat urban decay on a wide front without Council neglecting/shifting its primary duties.

The application of the SICID complied with all the requirements for setting up a Special Rating Area as per the By-Law for the establishment of Special Rating Areas.

An additional SRA rate needs to be calculated on the total municipal valuation of all the commercial properties within the SICID area to enable Council to collect the SICID's first year budget of R 2 447 784. This additional SRA rate will be considered for approval as part of the Council budget process and be implemented as from 1 July 2013.



8.2 Environmental implications

Does your report have any environmental implications: No Yes

8.3 Legal Implications

- Municipal Property Rates Act No.6 of 2004
- Municipal Financial Management Act No.56 of 2003
- Special Rating By-Law

8.4 Staff Implications

Does your report impact on staff resources, budget, grading, remuneration, allowances, designation, job description, location or your organisational structure?

No

Yes

8.5 Risk Implications

None

8.6 Other Services Consulted

None

ANNEXURES


Annexure A - Application to establish a SRA in the SICID (Limited) area.

- Business Plan (Section A)
- Property database (Section B)
- Affidavit of applicant (Section C)
- Public meeting info and perception survey (Section D)

Annexure B - Public participation process.

Annexure C - Objection letter and the Steering Committee comments.

FOR FURTHER DETAILS CONTACT:

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DIRECTORATE	Finance: ISL
FILE REF NO	
SIGNATURE : DIRECTOR	




LEGAL COMPLIANCE

REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

NON-COMPLIANT

NAME Jean Roman
 TEL (021) 400 2753
 DATE 01. 03. 2013

Comment:

Certified as legally compliant:
 Based on the contents of the report. 



EXECUTIVE DIRECTOR
 CFO : Kevin Jacoby

Comment:

DATE 26/02/2013

COMMENT:

MAYORAL COMMITTEE MEMBER
 Ald Ian Neilson 

NAME _____
 DATE 4/3/2013